



State of New Mexico

Office of the Governor

Bill Richardson
Governor

October 5, 2005

The Honorable Arnold Schwarzenegger
Governor
State of California
BY TELEFAX

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DATE	OCT - 5 2005
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Dear Governor Schwarzenegger:

You and I have shared a productive and important partnership regarding the Nation's and the West's energy future. We have worked together to implement a Clean and Diversified Energy Project among the 18 states in the Western Governors' Association, and we have both pressed diligently for state and federal energy efficiency and clean energy programs.

I am writing today to commend California's proposal for strong environmental performance standards related to long-term baseload generation procurement across the utility sector. California's genuine commitment to specific standards that address global warming pollution and greenhouse gas emissions is particularly notable. Given the financial planning needed to prepare the public and the utility sector for all-but-certain regulation of greenhouse gases, the proposed performance standards are prudent on both economic and environmental grounds.

California plays a large role in the development of western power markets. The signal sent by these proposed standards is that it is worth a little investment now to prevent a lot of cost later. Here in New Mexico we would like to see the continued growth of energy efficiency and conservation throughout the West, and, as a generating and energy exporting state, we want to grow clean energy sources such as renewables and carbon-clean coal. As you proceed, please be aware that New Mexico is willing to invest in these clean energy sources by consolidating and planning transmission and providing tax incentives for renewables and carbon-clean coal development. In this way generating and consuming states can work together with utilities and power generators to develop energy sources that will last for generations and will reduce our region's global warming impact.

Sincerely,

A handwritten signature in black ink, appearing to read "Bill Richardson".

Bill Richardson
Governor